

Message Text

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PAGE 01 LONDON 08026 161439Z

ACTION EUR-12

INFO OCT-01 EA-09 NEA-10 IO-13 ISO-00 PA-02 PRS-01

USIE-00 SSO-00 NSCE-00 INRE-00 EURE-00 AID-05

CIAE-00 EB-07 FRB-01 INR-07 NSAE-00 XMB-04

OPIC-06 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 /113 W

-----161442Z 019502 /50

O R 161415Z MAY 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 3916

TREASURY DEPT WASHDC IMMEDIATE

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

AMCONSUL BELFAST

AMCONSUL EDINBURGH

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDEL MTN GENEVA

USDOC WASHDC

UNCLAS LONDON 08026

DEPARTMENT PASS FEDERAL RESERVE BOARD

TREASURY FOR DONALD E. SYVRUD, OASIA

E.O. 11652: N/A

TAGS: ECON, UK

SUBJECT: PRESS SPECULATION ON FURTHER DRAWINGS ON IMF
CREDIT

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PAGE 02 LONDON 08026 161439Z

1. FRIDAY'S BALANCE OF PAYMENTS STATISTICS, WHOSE ESTI-
MATED 111 MILLION POUND CURRENT ACCOUNT SURPLUS IS THE
LARGEST SURPLUS SINCE OCTOBER 1971, HAVE GIVEN RISE TO
ADDITIONAL SPECULATION THAT THE U.K.'S IMF CREDIT WILL NO
BE FULLY UTILIZED. REUTERS NOTES THAT THE IMPROVED TRAD-
ING FIGURES, ALONG WITH LARGE PAST AND PROSPECTIVE CAPI-
TAL INFLOWS, MAY INDUCE THE GOVERNMENT TO REDUCE OR EVEN

CANCEL FURTHER DRAWINGS ON THE \$3.9 BILLION CREDIT. IT CITES MARKET SOURCES AS CALCULATING THAT \$1 BILLION WILL FLOW INTO RESERVES AS THE BANK OF ENGLAND'S FORWARD INTERVENTION COMMITMENTS MATURE OVER THE NEXT FEW MONTHS.

2. THE FINANCIAL TIMES SPECULATES THAT THE GOVERNMENT WILL DRAW AN ADDITIONAL \$300 MILLION OR \$400 MILLION DOLLARS BY THE END OF THIS MONTH, BUT THAT THE AUTHORITIES MAY ABANDON FUTURE DRAWINGS. THIS OPTION IS REPORTED TO BE PART OF AN OVERALL REAPPRAISAL OF FOREIGN CURRENCY DEBTS. THE FINANCIAL TIMES NOTES, IN PARTICULAR, THAT THE LEVEL OF UK RESERVES IS HISTORICALLY LARGE IN RELATION TO TRADE LEVELS AND THAT THE IMF MIGHT OBJECT TO USING ITS LOW INTEREST CREDITS IN ORDER TO REPAY HIGHER INTEREST OBLIGATIONS.

SPIERS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, CREDIT, ECONOMIC CONDITIONS, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 16-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770553/aaaabtyp.tel
Line Count: 79
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Litigation History:
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Message ID: 7c214693-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2507338
Secure: OPEN
Status: NATIVE
Subject: PRESS SPECULATION ON FURTHER DRAWINGS ON IMF CREDIT UNCLASSIFIED
TAGS: ECON, SOPN, UK, IMF
To: STATE TRSY
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/7c214693-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009